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## A New Approach to Helping the Hard to Place Unemployed

*The Promise of Developing New Knowledge in an Interactive and Collaborative Process*

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# **A New approach to Helping the hard-to-place Unemployed: The promise of developing new knowledge in an interactive and collaborative process**

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**Abstract**

The reforms of the social and employment services that have swept across most of the developed world since the 1990s have enormously expanded the groups of citizens receiving active employment measures. Nevertheless, up until now, most countries have only seen limited results from enhancing the labour market participation of the most vulnerable groups. We argue that the goal of including a greater share of the harder-to-place unemployed in the labour market is not likely to be achieved through the tried and tested ways of developing knowledge, policy and practice. Rather, we propose a different approach to generating and exchanging the necessary knowledge for developing active employment policy and practice. As an alternative to the evidence-based knowledge paradigm, we set up a model for knowledge production that is made through co-operation between practice and research. This model investigates the potential for integrated services and for co-production by acknowledging the importance of the experiences of frontline professionals and clients in developing employment services.

**Keywords**

employment policy and services, evidence-based practice, vulnerable unemployed, innovation, knowledge-production

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## Introduction

The development of active employment policies and the governance systems supporting them in Denmark, as well as in many other countries, pose a substantial societal challenge when it comes to enhancing employment for the most vulnerable unemployed.<sup>1</sup> The research on active employment policies and measures is increasingly modelled on the ideals of evidence-based knowledge, which entails a somewhat reductionist view on the problems experienced by this group of unemployed people. Until now, evidence-based knowledge has mainly been concerned with the effects of active employment policies and measures on the unemployed with few problems besides their unemployment. Nevertheless, this knowledge has, to a large degree, been used to develop policy measures and reforms for a wider and more heterogeneous group of unemployed people. The concerns of this article are, therefore, to propose a research agenda that will help to solve the societal challenge posed by the most vulnerable unemployed. This is done by developing a conceptual framework in which the success (or lack thereof) of the employment services for the vulnerable unemployed is developed through a complex interplay of institutional, organisational and client-specific contexts, and where evidence-based knowledge promoted by the scientific community does not replace or subvert the (often tacit) knowledge of frontline personnel.

There are many arguments for giving the most vulnerable unemployed political priority, ranging from the competitive argument for enhancing employment to maintain economic sustainability in the welfare state to the social argument of giving vulnerable citizens a meaningful life. The political attraction of this challenge has been accentuated because of the limited success so far in increasing employment for this group of vulnerable unemployed clients. If we look at the development since the beginning of the millennium across different types of welfare state, even in those countries with high employment rates in northern Europe, a consistent rate of 15 to 25 per cent of the population of working age are placed outside the labour market with no chance of gaining employment in the foreseeable future (Bredgaard et al., 2015).<sup>2</sup> The most popular political response to this challenge is to be found in welfare-to-work, or activation policies, that have swept across the western world in the last two decades. Although there is considerable debate on how these policies should be defined, which partly reflects the debates about varieties of activation (see Barbier and Ludwig-Mayerhofer, 2004; Heidenreich and Rice, 2016), the consequences of these policy reforms can be seen in the strengthened conditionality of benefit entitlements and in the activation obligations of benefit recipients (Van Berkel et al., 2017). The political solution has mainly been to transfer the more disciplinary and regulatory approach used for the easier-to-place unemployed to the harder-to-place and more vulnerable unemployed. Thus, there has been a considerable broadening of the target group for welfare-to-work and activation policies. The preferred knowledge documenting the effects of this approach and legitimating it, has placed evidence-based studies – defined as studies conducted by Randomised Controlled Trials (RCT) or other (quasi) experimental methods – at the top of the knowledge hierarchy. However, this poses

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1. We define the vulnerable unemployed as recipients of social assistances with extensive problems in addition to unemployment that hinder them from securing a job. These problems are typically of a social, psychological and/or physical nature, which make it unlikely that these social assistance recipients will obtain regular employment in the foreseeable future.
  2. These comparative data are drawn from OECD statistics on 'inactive citizens'. As the OECD definition includes stay-at-home men/women and students but excludes people on in-work benefits, it is likely that the group of vulnerable citizens outside the labour market is a bit smaller, at around 15 to 20 per cent of the working age population.

a problem as reviews of this knowledge base indicate that the bulk of these studies focus on the easier-to-place unemployed while there have been few studies of the more vulnerable groups of unemployed (Danneris, 2016). The transfer of evidence-based knowledge from easy-to-place unemployed to vulnerable unemployed rests on a 'one-size-fits-all' approach that disregards the specific problems and challenges faced by the vulnerable unemployed (Ibid.).

The success of this strategy for enhancing the employment of the vulnerable unemployed has, so far, been limited, as shown by the fact that the percentage of vulnerable unemployed across European welfare states has not declined (Bredgaard et al., 2015). The starting point for this article is therefore the need to address some of the blind spots in the dominant ways of producing and disseminating knowledge of labour market policies. In our experience of undertaking research in the field of labour market policies and practices, we have witnessed an increasing mismatch between the mainstream scientific research agendas and the actual challenges facing 'street-level organisations' (SLOs) responsible for delivering active employment services. The goal of this article is therefore to propose a new direction for research that prove to be innovative in the field of labour market participation for vulnerable groups in society. We especially address the following two issues within the current research agenda:

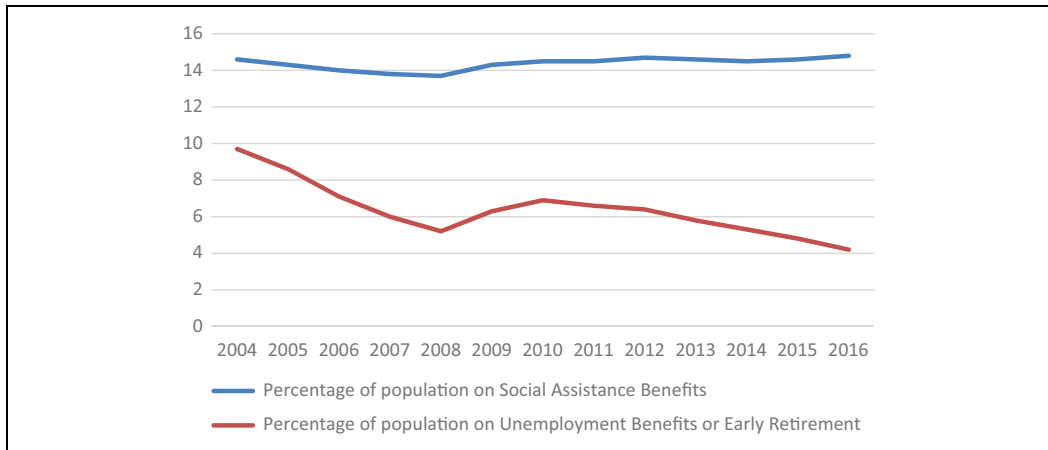
- 1. The sharp division of research between studies of formal policies and studies of the contexts in which frontline workers and clients navigate.***

So far both empirical and theoretical research have tended to pursue a one-sided institutional focus on either policy content (policy, programmes and services) or on the governance of policy (implementation, management, and organisation). The increasing interdependence between ways of doing policy and policy delivery makes this academic division of research increasingly problematic (see, for example, Borghi and Van Berkel, 2007; Brodtkin, 2013; Larsen, 2013). Furthermore, the client perspective is paid surprisingly limited attention in research on the policy and governance of activation services. Combining a policy perspective with an institutional perspective and a client perspective may therefore have positive potential for developing knowledge that can improve the labour market participation of the vulnerable unemployed.

- 2. The one-sided knowledge production and how it is applied in policymaking and everyday practices.***

The rise of evidence-based policy and practices in the areas of employment and social services during the last decade has illustrated a stark contrast between the knowledge that frontline professionals find useful in their everyday interaction with clients and the evidence-based knowledge disseminated by central administration and politicians (see, for example, Diaz and Drewery, 2016; Krejsler, 2013; Petersen and Olsson 2015).

To illustrate our alternative approach to studying the employment services, we use examples from recent developments in Denmark. Denmark constitutes an exemplary case being one of the world's top spenders on welfare-to-work and activation policies as well as a country that has had limited success in relation to enhancing the employment of vulnerable groups. Despite numerous policy reforms and a complete revamp of the governance structure of the employment services, around 15 per cent of the population of working age are on social assistance benefits in Denmark. This percentage has not changed significantly for more than a decade despite changing economic



**Figure 1.** Full-time recipients of unemployment benefits and social assistance benefits as percentages of the population between 16-66 years of age in Denmark.

Sources: Data from Jobindsats.dk

conjunctures. As seen in Figure 1,<sup>3</sup> it is mainly people on unemployment benefit who have enhanced their labour market participation in periods of economic upturn, as was the case between 2004 and 2008 and again today. The recipients of social assistance benefits – who are typically harder-to-employ and more vulnerable than other unemployed people – have seen no significant change in employment rate for the last couple of decades.

Although this article uses empirical examples from Denmark, its aim is to produce new theoretical rather than empirical insights. Existing international research, the development of Danish employment services and our own current research form the basis for developing an alternative conceptual framework and a new research agenda for studying labour market policies and services. We hope to pave the way for future empirical studies by assessing the potential of this framework for developing innovative employment policies and measures and ultimately for enhancing the labour market participation of the most vulnerable unemployed. The structure of the article is as follows. In the next section, we describe how the production of knowledge to assist and legitimise Danish employment policy reforms has developed during the last two decades. In the following section, we discuss the challenges for developing effective employment services for vulnerable unemployed. Finally, in the last section, we end the article by presenting an alternative approach to knowledge-production that result from our current research project on how to develop innovative employment services for vulnerable groups.<sup>4</sup>

3. In Figure 1, the category social assistance benefits refers to people who are on either sickness benefit, disability pension, rehabilitation benefit, integration benefit, flex-job or cash benefit. The category 'unemployment benefit' contains people on unemployment benefit and early retirement benefit, as both these benefits are dependent on membership of an unemployment insurance fund.

4. The 'Local Innovation in Social and Employment Services project', LISES.

## **Evidence-based employment policy: Applying the golden standard of evidence-based knowledge**

As in many other OECD countries, Denmark introduced several policy reforms in the mid-1990s that aimed to transform the mainly unconditional passive social compensation schemes into more active employment and social policies. This change is well-documented and has been described as a shift from welfare to workfare (Torfing, 1999; 2004), from social integration to social disciplining (Larsen et al., 2001; Larsen, 2009), from passive to active employment policies (Andersen and Pedersen, 2007), from a Welfare State to a Competition State (Pedersen, 2011) or to an enabling State (Gilbert, 2002). In spite of the different concepts that have been used to describe the development, researchers agree that the shift implies an increasing focus on bringing people into employment by both using elements of compulsion, sanctions and demands as well as by enhancing the competencies and qualifications of the unemployed. As Danish employment policy underwent significant changes, there was an increasing focus, both from politicians and from public officials, on overcoming what was perceived as an implementation deficit, where the local municipalities implemented a more lenient approach than the formal policies envisioned (Larsen, 2013). In the last 10-15 years, several institutional reforms have changed the governance and organisation of the municipal employment services responsible for the vulnerable unemployed in order to remedy this deficit. Decentralisation through the creation of municipal job centres, organisational disaggregation, the introduction of performance management and new economic steering mechanisms were particularly important in creating a New Public Management (NPM) inspired governance system (Ibid.). This is a governance system that can best be described as decentralised centralisation, meaning a decentralisation of formal responsibility to the municipal level that coexists with the introduction of several new centralised steering mechanisms (Knuth and Larsen, 2010). As a means for central control, the Ministry of Employment outlined several performance goals. The job centres were then monitored regularly and through an annual audit they were held responsible for their performance and goal attainment.

The Danish case converges with developments in employment policies in most western countries in which there has been a gradually increasing focus on active work-first inspired measures followed by a restructuring of the governance system (Considine and Lewis, 2010; Van Berkel and Larsen, 2009). At the same time, and perhaps not surprisingly, policy and governance reforms have not followed a linear path but have shifted in line with changing constellations of power, ideational waves and economic conjunctures. In recent years, we have witnessed an increasing critique of both the lack of results of work-first policies geared towards vulnerable unemployed and the NPM-inspired steering mechanisms supporting them (Møller et al., 2016). Trying to solve these issues politicians and public managers have become more and more occupied with applying the growing body of evidence-based knowledge of 'what works' to the policy, governance and practice of the Danish employment services (Bredgaard, 2015).

Particularly during the last decade, there has been a revival of evaluations and methods such as randomised controlled trials (RCT) under the heading of evidence-based knowledge (Hansen and Rieper, 2007). Thus, a different picture is now unfolding as a narrow definition of evidence-based knowledge is at the core of the official strategy for the Ministry of Employment and the national employment policy authorities (STAR). The Ministry's and STAR's definition of evidence-based knowledge is based on the 'knowledge hierarchy' constructed on their web-based knowledge bank on the domain [www.jobeffekter.dk](http://www.jobeffekter.dk). In this 'knowledge hierarchy', only effect-evaluations are

considered, with knowledge gained through Meta evaluations and RCT studies deemed the highest and most valid kind of knowledge.

This knowledge bank is used to systematically disseminate knowledge of what works in the employment services by visualising whether specific activation measures are deemed to be effective by existing Meta evaluations and RCT studies. The strategy of developing an evidence-based employment policy is, furthermore, being promoted by supervisory bodies, such as the National Audit (*Rigsrevisionen*) and the Economic Council (DØR), as well as by the powerful Ministry of Finance, which uses the evidence-based knowledge of employment effects to calculate the costs and effects of major policy reforms.

It seems evident that the government and the central administration are eager to make local job centres act according to the evidence-based knowledge when selecting activation measures and local policy goals. But the findings from a recent survey of municipal job centre managers suggest that local municipalities have, so far, been reluctant to follow suit (Andersen and Larsen, in their forthcoming publication). The Ministry of Employment clearly views this challenge as being due primarily to a lack of knowledge dissemination as they are currently working on an easy-to-understand version of *jobeffekter.dk* as well as a web-based tool that enables municipalities to calculate the possible costs and savings of selecting different employment measures for different target-groups. Another possible reason for the lack of uptake among local job centres could be the way the evidence-based knowledge both explicitly and implicitly disqualifies the knowledge and experience of the front-line professionals, which creates a general mistrust of the knowledge transferred from science to practice (Krejsler and Christensen, 2015). And, even when there is a local intention to implement a practice based on evidence-based knowledge, it can be very challenging given some of the choices and rationales inherent in the evidence-based methods (Andersen and Randrup, 2017).

The evidence-based knowledge promoted by the Ministry of Employment seeks to identify what works in the employment services. Nevertheless, answering this question requires a very specific and measurable set of goals, a homogenous group of unemployed people and a rather short timespan for attaining these goals. Hence, these studies tend to apply a certain level of reductionism in simplifying the actual problems, which varies enormously across different types and categories of social assistance recipients. Another problem is that it can be hard to properly define the instruments and methods that are being evaluated. For example, when educational opportunities are identified as an instrument with a low (or even sometimes a negative) effect on the employment rate, the instrument itself can vary from short courses involving only job search activities to longer courses in the established educational system. A recent example of this type of problem is RCT-studies showing that conversations or meetings between the frontline worker and the citizen have a significant effect in getting the unemployed into work. Nevertheless, it is a challenge to the implementation of such measures that these studies shed little or no light on what these conversations should involve in order to have a positive effect on the unemployed (Rosholm et al., 2010). Finally, there is the problem of a combination of several different employment measures when effects are measured. Particularly for the long term unemployed, a given measure may be one in a very long line of instruments that were used while promoting employability for the client. But, in terms of measuring effects, only the final instrument applied will be counted as having had an effect.

All these dilemmas make the practical use of evidence-based knowledge by frontline professionals rather limited. However, the centrally-located professionals still have faith in this type of knowledge. A recent budgetary reform has given the municipalities more freedom to design services on one hand while, at the same time, it increases their economic responsibilities by

imposing on them an economic burden if they fail to get the clients out of unemployment within the first year of unemployment. Thus, municipalities are pushed to either develop innovative approaches or to focus on measures promoted by substantial evidence-based knowledge. It is too early to assess the impact of this reimbursement-system, but given the recent history of strong centralised control of the local employment services, it seems unlikely that the job centres will remain free to ignore the evidence-based knowledge promoted by the central administration.

## **Challenges in developing effective employment services for vulnerable unemployed**

As this short description of recent developments of the Danish employment services clearly shows, this is a policy area subject to constant change and reform. Yet, the question remains whether these reforms of policy and governance have had the desired results? If the goal was to close the gap between the political intentions of a stricter work-first practice towards the unemployed and the frontline workers' more traditional social-work ethic, then several studies show that this compliance gap has, to a large degree, been closed (Bredgaard, 2011; Larsen, 2009; Larsen, 2013). The local practice is more in line with a work-first strategy today than it was a decade ago. The target group for these policies has furthermore been broadened to enhance employment for more vulnerable groups of unemployed. Thus, the scope for employment policies includes a group of citizens that previously would have been the responsibility of the social services. But, if the goal was to help the most vulnerable clients in gaining a foothold in the labour market, then the reforms can hardly be seen as a success given that the number of unemployed social assistance recipients has hardly changed for more than a decade (see Figure 1 above).

In light of these trends in policy, governance and evaluations, the three most prominent challenges for enhancing employment for the group of vulnerable clients seem to be the following.

1. A policy direction that is more effective for the ready-to-work group than for the group of unemployed with problems beside unemployment.
2. Governance and organisational reforms that discipline not only the unemployed, but also the service agencies and their frontline workers that implement a stricter work-first policy. This is embedded in NPM reforms that focus on selected measurable goals, adding another layer to reductionism in the political and administrative view of policy problems and solutions, thereby obstructing the frontline workers role of mediating between disciplining the unemployed and acknowledging the complex problems experienced in practice. This is especially critical for citizens experiencing multiple barriers to obtaining employment.
3. An underlying top-down oriented knowledge paradigm that gives RCT studies a status as almost the only valid basis for political decisions and frontline practices. In the following sections, we will elaborate on these three types of challenges.

### ***The challenge of a policy direction towards welfare-to-work***

The problem is that the dominant policy direction is guided by an understanding of unemployment that sees it as an individual choice and, as a result focuses solely on changing the incentive-structures for the unemployed (Andersen and Pedersen, 2007; Larsen 2009). This means that it relies on the premise that increased motivation of the unemployed will, in itself, lead to employment. Furthermore, some studies show that this way of perceiving the unemployment problem is



increasingly being applied to vulnerable unemployed as consequence of new ways of categorising a majority of social assistance recipients as either fully or partly ready to work (Marston et al., 2010; Nielsen 2015) and new ways of organising the employment services (Caswell and Høybye-Mortensen 2015). These categorisations support the political view that the problem confronting most benefit claimants is their employment situation, which in effect gives rise to a plethora of work-first inspired policy changes such as work-ability testing, tougher availability criteria and tests and longer sanctions, while lessening the focus on enabling elements such as training and educational offers. But, as the rather invariant level of social assistance recipients may indicate, the demand for this type of labour is limited, and given the problems faced by many vulnerable unemployed clients, it can be difficult to make them react to stronger economic incentives. Thus, there seems to be a discrepancy between the political perception of policy problems and solutions and the real-life problems for the most vulnerable unemployed, and between the compulsory requirements in policies and the ability and motivation of the most vulnerable groups to live up to these. Although some international studies have found evidence suggesting a correlation between employment effects and the client's experience of being involved in the choice and design of services (see e.g. Hasluck and Green, 2007), this perspective has been given surprisingly limited attention in policy and practice. The client perspective is often associated with issues of legal rights, deservingness or welfare needs, but more infrequently assessed in relation to how services and benefits are received or perceived. And, even more seldom is this assessed in relation to how this affects the effectiveness of services.

### *The challenge of governance and organisational reforms embedded in general NPM-inspired public sector reforms*

The proliferation of NPM-inspired techniques of governing the employment services of Denmark and many other European countries since the turn of the century has completely changed the implementation process and the delivery of employment services. One part of these operational reforms can be seen as intentionally directed towards changing the implementation process towards more standardised and disciplinary approaches in the employment services. In the Danish case, this has been associated with a process of disciplining the frontline workers by reducing their former discretion based on values and norms upheld by the social worker profession (Caswell and Larsen 2017; Jørgensen et al., 2015; Larsen, 2013). Another part of these reforms is embedded in general public-sector reforms that aim to increase efficiency by combining decentralisation and new forms of accountability through performance management and economic incentives (introducing a principal-agent way of thinking). In other words, the intention has been to shift from input to output control of the employment services. In the Danish case, we have seen a hybridisation of input-oriented traditional (procedural) governance and output-oriented corporate and market governance, with an increasing emphasis on output-oriented governance. The result has been a higher specialisation of services, with single implementation units being responsible for certain measurable output goals.

As pointed out by several public administration researchers, such an output-orientation not only creates a huge bureaucracy (BDO and Quarttz+Co., 2014; Hood and Dixon 2015; Larsen 2009), but also a very fragmented system (Christensen and Lægreid, 2007, 2011). The output orientation on measurable performance indicators can, furthermore, move the focus away from relational (and process-related) work between frontline workers and vulnerable unemployed. Some researchers argue that we are currently witnessing a change in NPM towards new forms of governance across

Europe. Some point at New Public Governance (NPG) as the replacement that can ‘put the system back together’ by emphasising integrated services and co-production (understanding citizens as co-producers rather than consumers of services) (Christensen and Lægheid, 2013; Lægheid et al., 2015; Torfing and Sørensen, 2014). The fragmentation of public sector organisations as well as the focus on simple output-goals inherent in the NPM public sector reforms can hinder finding solutions to the multiple problems and the complexity of getting vulnerable unemployed clients into employment. This seems to be an acknowledged problem among municipalities and researchers in Denmark, and although it is not easy to change, there is currently substantial focus on how to increase integrated services and co-production, especially among the Danish municipalities (Kommunernes Landsforening 2016).

### *The challenge of a top-down oriented knowledge paradigm*

Some of the methodological challenges facing the use of evidence-based knowledge in employment services were listed in the preceding section, but two main challenges are mentioned here. The first is the problem of how to transfer this context-independent type of knowledge from research into the practice of employment services. In the Danish case, the creation of the knowledge bank *jobeffekter.dk*, based mainly based on RCT studies, illustrates this problem very clearly. Although it is meant to be an instrument for enabling frontline workers to assess the likely effects of different instruments and methods for different target groups, the Ministry of Employment and STAR are currently developing a second version of the knowledge bank as it is hardly ever used by the frontline workers.<sup>5</sup> As mentioned earlier, there seems to be a great divide between the knowledge produced by research independent of the context in which it is to be implemented and the everyday complex problems experienced by the implementing agents. The second challenge is the problem of integrating knowledge not only of the effects of the instruments applied, but also of how they are implemented. It may be just as important not only to understand *what* services and benefits the unemployed receive, but also *how* they receive them. The level of the citizen’s trust in the solutions chosen and the citizen’s involvement in the decisions made (empowering the unemployed) can be decisive elements for success (Danneris and Dall, 2017). This type of trust and empowerment is a crucial part of the institutional meeting between the frontline worker and the client and the relational work that follows from this. This type of complexity is hard to include in the evidence-based knowledge paradigm.

As the above challenges indicate, there are several problems in the current dominant ways of developing policy, delivering services and utilising scientific knowledge in the field of employment services for vulnerable groups of citizens. This illustrates some of the major gaps between the official understanding of policy problems and reality in the local municipalities such as between the governance of street-level organisations and the challenges that frontline workers and clients face, and between the knowledge disseminated by the research community and the knowledge of use for street-level practices. This article argues that all these incompatibilities are part of the reason why Denmark, like many other countries (Van Berkel et al., 2017), is facing major challenges in improving the labour market participation of the most vulnerable unemployed clients. The above challenges are all related to an inherent reductionism in the understanding of the complex situation of the most vulnerable unemployed. We, therefore, argue that a positive change

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5. This was explicitly stated by the Vice-director of STAR in an interview conducted by one of the authors of this article.

for the most vulnerable unemployed clients cannot be achieved by one-size-fits-all policies, services and knowledge, as, to a large degree, it hinges on the interaction between the frontline worker and the client. It can come as no surprise that formal policies that ignore the complex problems many clients face, governance structures the decrease frontline discretion and evidence-based knowledge that subverts professional judgment and experience are bound to have only limited employment effects for the most vulnerable unemployed. The point is not that the politicians, governing bodies and researchers should simply adhere to the whims of the frontline professionals and clients. But, we argue that the incorporation of the perspectives of the implementing organisation, local practitioners and clients is necessary if the policy goals are to be met.

## **A way forward – Phronetic research and Mutual Innovation and Learning Platforms**

Naturally, the complex and far reaching issues enumerated above cannot be solved by a single quick-fix, given that they are rooted in deep-seated traditions and understandings both in the field of employment policy and in the research community. Nevertheless, this closing section will try to sketch a possible way forward by presenting an alternative form of knowledge production and dissemination developed through a research project that aims to bridge some of the above mentioned gaps in the current way of making and delivering employment policy in Denmark.<sup>6</sup> We argue that a more holistic and collaborative approach to the unemployment problem holds great potential for alleviating many of the current challenges facing researchers, policymakers, practitioners and clients in the employment system. It is, however, important to stress that such an alternative approach can only be regarded as the first step in changing the current situation for the most vulnerable unemployed. There is no guarantee that a more thorough and reflective understanding of the problem at-hand, as well as a more applicable knowledge-base, will necessarily translate into changes in policies or labour market outcomes. This will have to be a matter for future empirical research.

The alternative approach developed through this research project is grounded in Bent Flyvbjergs concept of phronetic social science (Flyvbjerg et al., 2012) as well as drawing inspiration from the literature on cooperative knowledge production (CKP) (Hüttermann and Sommerfeld 2008) and collaborative innovation (CI) (Sørensen and Torfing 2011). Phronesis is a concept, formulated by Aristotle, concerned with practical knowledge and wisdom that enables someone to act in concrete and context-specific situations as well as to make reflective judgments concerning the appropriateness of these actions and the ends they seek to reach. Flyvbjerg argues that this practical wisdom is the sign of true expertise and, therefore, should be the highest goal of social science (Flyvbjerg 2001). According to Flyvbjerg, social inquiry should focus on the specific, highly complex and value-ridden reality of the social world and should try to gain practical knowledge of the unique and specific settings and circumstances being studied. Compared to evidence-based knowledge, phronetic knowledge reverses the evidence-hierarchy by valuing practical and contextual knowledge gained from in-depth case-studies as being of higher importance

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6. The Research Project is called 'Local Innovation in Social and Employment Services' (LISES) and, as the title indicates, the goal is to rethink and promote innovation in the social and employment services for the most vulnerable unemployed in Denmark. The project is a four-year project funded by Innovation Fund Denmark, carried out collaboratively by Aalborg University, the Association of Municipalities (KL) and two Danish municipalities (Holstebro and Herning).

than the generalised and aggregated effects found from RCT-studies. Applying a phronetic approach to the research on employment services challenges the reductionism inherent in the dominant policy-understanding, governance system and evidence-based knowledge regime. In our current research project, this is done by focusing on two specific municipal job centres and trying to understand the totality of challenges they face in getting vulnerable citizens into employment. The project is structured around the following five assumptions, which try to encompass the many differing challenges, interests and power-relations at play in the employment services, while pointing towards the possible potential for improving and innovating the employment services (i.e., in gaining practical wisdom about what to do):

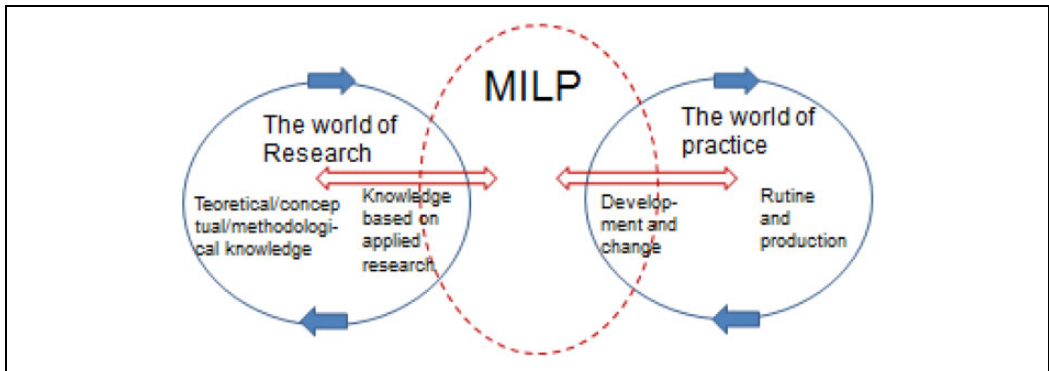
1. Combining a political and organisational readiness to adapt to changing policies and financial conditions with internal strategies for the content and qualities of employment services holds a positive potential for improving the results of employment services.
2. Integrated services across sectors and organisational units improves both the effectiveness and efficiency of employment services.
3. The institutional interactions between professionals and clients is crucial for the effectiveness of services. Similarly, factors like institutional and organisational settings, knowledge of the dilemmas and complexities of institutional interactions, innovative responses to identifying client needs and the qualifications of frontline workers are important to delivering better outcomes.
4. The role of the client, and the possibility for actual client participation, is essential for achieving the goals of active welfare policies and employment services. Personalised services with elements of empowerment can have a positive impact on labour market participation for the most vulnerable unemployed.
5. Employment services for vulnerable groups entail employment (and employer) related services. The precondition for higher labour market participation is matching labour market demands, employer expectations and employer engagement in services.

These assumptions have been selected and constructed through a process of dialogue with actors in the field of practice, identification and systematisation of the existing literature as well as our own experience of doing research on the Danish employment services for the last couple of decades. The assumptions structure our empirical work by demanding openness to the complexities at play in the employment services. Instead of reducing our focus to the one right tool that supposedly works, we deliberately increase complexity by trying to understand all the different levels and actors that need to come together to improve the services for the most vulnerable unemployed clients. Furthermore, the study and future validation of these different potentials also requires great methodological plurality to capture the reality of municipal job centres. To gain phronetic knowledge of the employment services for vulnerable unemployed clients is to link different scientific methodologies – from micro-sociological conversations analysis to traditional policy-analysis – and bridge both the micro/macro and the quantitative/qualitative divide. This makes it possible to see how policies are adapted and transformed as they travel from the central administration, through local management meetings and firm strategies all the way through to meetings between the frontline worker and the client and finally how this is perceived by the client. Nevertheless, all these different methodologies are anchored in the unifying logic of the case study, as the goal is to obtain knowledge of the unique and practical reality of the job centre's employment services towards its vulnerable unemployed clients.

The five assumptions above are not just the result of the individual values and beliefs of the researcher. True to the phronetic ideal, these assumptions are continuously challenged and/or validated by new context-specific knowledge in a hermeneutic process between research and practice. To secure a reciprocal relation with the practice we study (municipal employment services), we are drawing heavily on the CKP as an alternative approach to knowledge-production.

Traditionally the exchange processes between research and practice has focused mainly on information through publication (writing up results for practice to act accordingly). This approach has been criticised for its hierarchical nature and for the lack of feedback opportunities from practice (Sommerfeld and Gredig, 2008). As such, cooperative knowledge production (CKP) can be seen as an alternative approach to developing evidence-based practice without the traditional problems inherent in it, such as the lower-than-anticipated enthusiasm of practitioners, oversimplification of the dilemmas and complexities of practice as well as substantial difficulties in implementing new practices. Another inspiration comes from the development of collaborative innovation (CI) approaches. Like CKP, this perspective stresses the collaborative and relational element when using new knowledge for innovation in a public-sector setting. To promote innovation, a number of actors need to be engaged in the exchange of new ideas, new knowledge and possible new solutions to the complex and intricate problems of the welfare state. It is insufficient for researchers to develop this knowledge without feedback and dialogue with professionals in the welfare state organisations, as it is often the case in attempts within evidence-based approaches to develop efficient methods. A CI approach stresses the need to engage actors from different levels of the public sector, managers as well as practitioners, in close collaboration with researchers to develop new ideas for solutions.

Both the phronetic ideal of science and the specific collaborative approach are key to understanding the novelty and potential of an alternative approach to knowledge-production in the field of employment policies and services. First, and in accordance with the phronetic approach, the local employment services in the municipal job centres function as sites of intensive field studies, but we further propose a dual role for the practice-field of not only a field of study but also as co-producer of knowledge. On the one hand, this dual-role furthers the trust and access to the practice of employment services needed for the researcher to become a '*virtuoso social actor*' (Flyvbjerg et al., 2012). Engaging the practice-field as co-producers of knowledge creates a more equal and less hierarchical relation between science and practice than is the case in the typical understanding of science handing over knowledge to practice. The level of trust in this equal relationship can help give the researchers access to every part of the municipal employment services – from job centre manager to the individual client – thereby making it possible to shed light on processes and connections that researchers would otherwise seldom see. This privileged access to the inner-workings of two job centres has made it possible to study how street level organisations are both making and delivering policy, which can further the expanding research on street level organisations as mediators of both policy and politics (Brodtkin, 2011, 2013; Larsen, 2013, Larsen and Caswell, 2015). On the other hand, the collaborative ideal can, if properly done, also uphold the critical potential of research by creating spaces for sharing knowledge and critical reflection between researchers and practice. The important consideration is that collaboration between science and practice should not entail absorption and assimilation, but rather syntheses and differentiation. It is thus not the goal to make the staff of the local employment services competent researchers or vice-versa because this implies that one form of knowledge is considered better. Instead, true collaboration between research and practice regards the types of knowledge as equal but different. The meeting of these types of knowledge makes it possible for both research and practice to enhance critical self-reflection.



**Figure 2.** Mutual Innovation and Learning Platform (MILP) as a process to connect research and practice (The model was inspired by Sommerfeld and Gredig, 2008.)

To illustrate how this type of collaboration between research and the field of study can be achieved, we have developed “Mutual Innovation and Learning Platforms” (MILP). A MILP is a two to four-hour long interaction between researchers and practitioners which centres around one of the five assumptions presented above. Two to four researchers and around six practitioners participate in each MILP. The MILPs function as rooms for discussing tentative research findings, thereby gaining a better understanding and interpretation of them. This furthers the production of knowledge that is of considerable use for the everyday practice of frontline workers. Instead of a typical one-way relation, where the researcher hands over knowledge to practitioners who may or may-not find this knowledge useful, the relation in the MILP is reciprocal because the practitioners help guide the attention of the researchers to the areas of greatest relevance.

At their core, the MILPs are about collaboration between research and the field of study, with the goal of enhancing the ability to address and handle social problems as well as perform social critique. The ideal is to make the tacit knowledge and practical consciousness of the social world explicit and discursive, thereby rendering it possible to reflect on, discuss, criticise and ultimately change what is normally taken for granted (Flyvbjerg et al., 2014). It is important to stress the ‘mutual’ aspect of MILP because it is not the researchers who enlighten the practice world, thereby giving them a reflective language previously unknown to them. Rather, the relation is reciprocal, as research renders some parts of reality visible and transparent and the actors from the practice-world render other parts of reality visible. And, precisely in the meeting between these worlds (as illustrated in the figure above) both parties enhance their ability to critically reflect on the current situation and act on it as competent social actors.

Given the objective of increased collaboration between research and practice, the MILPs always involve researchers as one of the parties. However, the other party can potentially consist of any group of actors engaged in the specific area under research (e.g. clients, frontline-workers, managers, politicians, etc.).<sup>7</sup> Because of this, the MILPs are initiated by the researchers based on

7. We currently only have experience of MILPs consisting of either frontline-workers or job centre managers. This is partly because of the specific areas of interest in the LISES-project, but it is, of course, also because of the difficulty in engaging more vulnerable groups such as social assistance recipients in a reciprocal relation with researchers. Frontline

knowledge from the world of research. One method is to draw on literature reviews to outline important findings regarding the chosen assumption and taking these as a point of departure for the interaction with the practitioners and their knowledge. Another method is to draw analytical concepts and perspectives from the tentative findings of the field study and use these to engage in analytical discussions of current practice in the municipalities. Nevertheless, the initiation of MILPs by researchers is just a starting point for the discussion and in no way a determination of the end-result. As the model illustrates, the MILP envisions research that neither 'goes native' by becoming one with its object of research, nor does it enlighten the practice world from a position outside and above its object of research. Research and practice are parallel and equal knowledge positions. These are not only deeply intertwined but also fundamentally different. In this (phronetic and collaborative) understanding, knowledge is not something research generates and subsequently passes on to practice (knowing better), but rather something that exists in both worlds and, thus, as something that must be exchanged and mutually challenged (knowing differently).

## Conclusions

We argue in this article that the goal of including a greater share of the harder-to-place unemployed in the labour market is not likely to be achieved through the tried and tested ways of developing knowledge, policy and practice. Rather, we suggest a different approach to generating and applying the necessary knowledge for developing active employment policy and practice. In the current Lises-project, we attempt to develop ways to modify the knowledge exchange between research and practice, by grounding it in the ideal of a phronetic social science, and drawing on existing models of CKP and CI. By combining these theoretical underpinnings and our current experiences with in-depth field studies of two municipal job centres, we have developed a 'Mutual Innovation and Learning Platforms' (MILP) to help to realise the potential of the Danish employment services.

Our experience of using the MILP as a tool for collaborative knowledge production highlights how a reciprocal and equal relation between science and practice can be mutually beneficial by informing both the scientific field of street-level research and the practical workings of employment policies and practices (as pointed out by Hüttermann and Sommerfeld, 2008). The creation of a space for mutual reflection between research and practice facilitates the creation of the trusting relationship that is necessary for gaining access to the inner workings of the object of study (in this case, job centre services) that is paramount for the development of phronetic knowledge and, thereby, true expertise. At the same time, this space for reflection furthers the critical and innovative potential of research and practice, as knowledge and practice that are normally taken for granted are problematised and, thus, rendered changeable. This attention to the complexities and dilemmas of the daily workings of job centre services combined with a greater acknowledgement of the knowledge of the social actors involved in these services, have, in our view, great potential for initiating the necessary change-processes for solving many of the problems currently facing employment policies and services. Although it is very promising, there is, of course, no guarantee that this alternative approach will be effective, as the true test hinges on the actual difference it will make in improving the situation of the most vulnerable unemployed. Whether this is through a broader understanding (among both researchers, frontline workers and politicians) of the

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workers and public managers are, through their work, much more accustomed to ideals of learning through reflective discussion. We are, however, currently planning a MILP involving clients.

difficulties involved in enhancing the labour market participation of vulnerable unemployed clients, the development of new policies or measures or something else entirely remains to be seen. It is still too early to pass judgment on this matter and it will be a question for future research in which the potential of this alternative approach can be tested. In this article, we have merely taken the first steps, by conceptualising a new approach to the development of effective policies and employment services for our most vulnerable citizens.

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